



Dear Inspection Station Owner,

The California Bureau of Automotive Repair (BAR) has awarded SGS Testcom Inc. the contract to provide the Next Generation Electronic Transmission (NGET) data management services for the California Smog Check program.

This package contains all the information you will need to sign-up with SGS Testcom to participate in the California Smog Check program. Please review the Station Participation Agreement carefully as it contains all of the terms and conditions pertaining to your participation in this program. It also contains complete enrollment instructions.

To enroll, you must completely fill out and return to CA BAR Licensing Unit the completed and signed Inspection Enrollment Form. SGS Testcom has a full service NGET Help Desk ready to take your questions and assist you in the enrollment process. The NGET Help Desk can be reached toll-free at (866)-9NO-SMOG. (1-866-966-7664)

We look forward to your participation in the California Smog Check program and hope to have a long relationship with your inspection business.

Thank you,
SGS Testcom Inc.

A handwritten signature in black ink, appearing to read 'Bill Gibson', with a stylized flourish at the end.

Bill Gibson
NGET Deputy Program Manager

Station Participation Agreement "SPA" TERMS AND CONDITIONS

General Provisions

1. AUTHORITY

The California Bureau of Automotive Repair ("CA BAR") has entered into a contract with SGS Testcom Inc. (the "State Contract") whereby SGS Testcom Inc. provides to you (also hereinafter referred to as "User") its Next Generation Electronic Transmission System ("NGET System") services (the "Services").

2. TERM OF STATION PARTICIPATION AGREEMENT

This SPA shall commence on the date of execution of the SPA by User however, the actual provision of Services (further defined below) hereunder may not commence until the date CA BAR deems the SGS Testcom Inc. NGET System (the "NGET" System) operational (the "Operational Start Date"). This Agreement shall remain in effect until the occurrence of any of the following (in all cases User shall pay SGS Testcom Inc. for all Services rendered prior to the date of expiration, termination or cancellation):

When the SPA
starts and ends

- breach or default of this SPA by User;
- the date of the expiration, termination or cancellation of the State Contract;
- User terminates its participation in the NGET Program in accordance with the requisite procedures or its participation is terminated by CA BAR or SGS Testcom Inc.; and/or
- seven (7) years from the date of the State Contract which is October 13, 2011, unless CA BAR extends the State Contract, in which case this SPA between User and SGS Testcom Inc. shall automatically be extended under the extension terms, conditions and rates then approved by CA BAR.

3. ADVERTISING AND PROMOTION

User agrees not to use the name of SGS Testcom Inc. or any of its subcontractors, suppliers or vendors in any advertising, promotion or publicity, without SGS Testcom Inc.'s prior written consent.

4. NGET PROGRAM HELP DESK – TOLL FREE 866-9NO-SMOG (866 966-7664)

The SGS Testcom Inc. NGET Program Help Desk is designed to assist User with station enrollment, billing, ACH Certificate sales, NGET Program communications, and answering User questions relating to the SGS Testcom Inc.'s Services (further defined below). Help Desk hours are Monday through Friday 7:30 AM to 6 PM (PST), and Saturdays, 8am to 5pm (PST), except for holidays. The hours of the NGET Program Help Desk operations may change from time-to-time with CA BAR approval. Any such changes will be immediately communicated to User.

HELP is only a
phone call away

5. UNAUTHORIZED USE

Should any unauthorized person gain access to User's ETS Unit(s), User must notify the SGS Testcom Inc. Help Desk, Tel: 866 - 9NO - SMOG, immediately. User agrees that it will pay for all tests (authorized or not) made by and/or through User's ETS Unit(s).

6. SECURITY

User agrees that it is responsible for any and all ETS Unit(s) and/or NGET Program and/or system access and security controls and tools (such as passwords), and that such controls and tools will not be shared and will be kept secure. Charges relating to User's ETS Unit(s) that are erroneous, fraudulent, and/or unauthorized are the sole responsibility of User and User shall promptly pay all NGET Program Charges to SGS Testcom Inc. as set forth herein.

7. LATE PAYMENT

SGS Testcom Inc. will send User a monthly invoice ("Invoice") for "per test" (defined below) and other related charges. All Invoices are due and payable

Important
payment terms

upon User's receipt of an Invoice. If any amount set forth on an Invoice is not paid within thirty (30) days of the date of the Invoice, such amount shall be considered late, and will be subject to late charges of one and one-half percent (1.5%) per month on all unpaid balances. If User does not pay an Invoice in full within thirty (30) days of the date of the Invoice, SGS Testcom Inc. will send User an initial late payment notice (the "Initial Notice"). If payment is not received by SGS Testcom Inc. within thirty (30) days of the date of the Initial Notice (i.e., within 60 days of the date of the Invoice), SGS Testcom Inc. will send User a second late payment notice (the "Second Notice"). The Second Notice will warn User that deactivation and/or station lockout may occur if payment of the Invoice in full is not immediately received by SGS Testcom Inc. If User does not pay an Invoice in full within ninety (90) days after the date of the Invoice, User and/or User's ETS Unit(s) will receive a disconnect notice ("Disconnect Notice") and User will be immediately disconnected from the NGET System. Except as otherwise required by CA BAR, by law and/or by virtue of SGS Testcom Inc.'s debt collection efforts, User's payment records regarding Invoices shall be kept strictly confidential. Notwithstanding anything to the contrary herein, SGS Testcom Inc. reserves all of its rights and remedies at law and in equity (including, without limitation, the right to engage the services of attorneys and/or collection agencies) with respect to User's overdue accounts.

8. CONNECTION TO NGET SYSTEM

User assumes full responsibility for all charges resulting from User's operation of its ETS Unit(s), User's participation in the NGET Program, and/or User's connection to the NGET System (the "Charges"). User shall, at its sole cost and expense, provide the telephone line(s) connection to the NGET System. Entering into this SPA is not intended to, and does not, affect User's relationship with User's current and/or future telecommunications provider(s).

9. SERVICES

SGS Testcom Inc. "Services" hereunder shall include: (a) providing User with access to the NGET System through User's ETS Unit(s) and the telephone line(s) provided by User, and (b) providing User with limited assistance with station enrollment, billing, ACH Certificate sales, NGET communications and with User's questions through the NGET Program Help Desk.

10. CHARGES

Charges are "per test" and paid to SGS Testcom Inc. by the User. Users shall be invoiced monthly for inspections they conduct, plus any applicable administrative fees. Billable inspections are:

- Completed emissions inspections that result in a Vehicle Inspection Report. (VIR)
- Full inspections, pre-inspections, training mode, and aborted tests that result in the transmission of a test record to the ET System
- Offline inspections that result in a Vehicle Inspection Report. (VIR)

Pursuant to the State Contract, the Charges for the first year under the State Contract (**initially, \$0.764 per test**) may be adjusted upward or downward no more frequently than annually in accordance with the State Contract. Notice of a change in the "per test" Charges and the effective date for such change(s) will be provided to User by CA BAR and/or SGS Testcom Inc. no fewer than ten (10) calendar days prior to the effective date of the change(s).

Per Test Charges may
change year to year

11. RECONNECTION FEE

If User and/or User's ETS Unit(s) experience station lockout and/or are disconnected from the NGET System, User may request SGS Testcom Inc. to reconnect User and User will have the right to be re-connected to the NGET System on the condition that User pay: (a) all outstanding Invoices (including, without limitation, all unpaid balances, late payment charges, non-sufficient funds ("NSF") charges and all other applicable charges), and (b) a reconnection fee of seventy-five dollars (\$75.00).

12. INVOICE DISPUTE

If User disputes any charge in an Invoice, User must notify SGS Testcom Inc. in writing at 3110 Gold Canal Drive, Rancho Cordova, CA 95670 within fifteen (15) days of the date of the Invoice in question, otherwise all Invoices shall be deemed to be correct, accepted by and binding upon User. If User disputes a portion of an Invoice, User must follow the foregoing procedure and must also pay all undisputed portions of an Invoice by the required due date.

13. FAULTY PAYMENT

User agrees to pay SGS Testcom Inc. a twenty-five dollar (\$25.00) fee each time a check or other form of payment tendered by User is dishonored due to NSF or otherwise. User will be notified, in writing that a payment was dishonored due to NSF or otherwise. User's failure to pay outstanding amounts owed to SGS Testcom Inc. plus the twenty-five dollar (\$25.00) NSF fee per occurrence within fifteen (15) days of the postmark date of the NSF notification may result in lock out or disconnection from the NGET system.

14. ACH ELECTRONIC SMOG CERTIFICATE PURCHASES

User understands and agrees that the terms of payment for a book of fifty (50) electronic Smog Certificates (the "Certificates") through Automated Clearing House (ACH) debit transaction process (the "ACH Process") are as follows:

- **Debit Amount Authorized:** SGS Testcom Inc., acting, as agent for the California Department of Consumer Affairs ("DCA"), shall facilitate the debit of the User's designated bank account (User's Account") for the exact amount of the electronic billing for Certificates ordered by User.
- **The amount** debited to the User's Account shall be the price for fifty (50) DCA Certificates, which price shall be established by DCA.
- **Date ACH Certificate Fees Due:** For purposes of this SPA and the ordering of electronic Smog Certificates using the ACH Debit Transaction Process through the NGET System, the full amount of fees for the electronic Smog Certificates must be in the User's Account on the day the Smog Certificate order is first placed by User. When the payment due date for electronic Smog Certificates falls on a weekend or holiday, the next business day shall be the payment due date.
- **Proof of Payment:** DCA shall accept as proof of payment for electronic Smog Certificates purchased through ACH Debit Transaction process, information received daily via CA BAR/DCA's Certificate Payment and Reconciliation process.
- **Credit Watch:** If a User is placed on "Credit Watch" by DCA, SGS Testcom Inc. or otherwise due to NSF, a return or otherwise, future Smog Certificate issuance will be delayed five (5) business days, to allow time for the transaction to clear the ACH Process and/or the bank. Credit Watch status will remain in effect for 90 days.
- **Change of Authorization:** Any change in a User's authorized bank and/or account number(s) must be provided to SGS Testcom Inc., by completing and mailing (or faxing) a new Station Enrollment Form, at least 5 business days prior to the change. SGS Testcom will respond by fax within 24 business hours that the form has been received and will fax or phone the User within another 24 business hours that the account information has been updated.

15. ADDRESS CHANGE AND TRANSFER OF USER ACCOUNT

User agrees to notify SGS Testcom Inc. in writing immediately if User changes User's billing address, bank and/or account number(s). Changes to User's billing address and ACH information can only be made by User's authorized representative(s), in writing, by completing and submitting a new Enrollment Form to SGS Testcom Inc. at 3110 Gold Canal Drive, Suite A, Rancho Cordova, CA 95670, or by fax to (877) 598-8642. All other changes to User's licensing record must be coordinated and made through the CA BAR Licensing Unit at (916) 255-3145. User's account information will remain as set forth in the SGS Testcom Inc. records until such time as SGS Testcom Inc. receives the appropriate written change information from User's authorized representative(s).

16. CA BAR ADMINISTRATIVE ACTION

User understands and agrees that User is responsible to comply with all Bureau of Automotive Repair mandated requirements for Smog Check Stations. User understands and agrees that CA BAR may lock out and/or direct SGS Testcom Inc. to lock out and/or deny access to the Services and/or User's use of the NGET as a result of failure to maintain all Bureau of Automotive Repair mandated requirements for Smog Check stations and/or pursuant to a disciplinary proceeding or other compulsory legal process User's connection to the NGET System may also be terminated by SGS Testcom Inc. and/or CA BAR upon the sooner of: (a) termination of User's participation in the NGET program, (b) termination and/or material alteration of the NGET System program by CA BAR, or (c) termination or expiration of the State Contract.

17. LIMITATION OF LIABILITY: INDEMNIFICATION OF SGS TESTCOM INC. BY USER

SGS Testcom Inc. is neither an insurer nor a guarantor and disclaims all liability in such capacity. User's seeking a guarantee against loss or damage should obtain appropriate insurance. SGS Testcom Inc. shall not be liable for any delayed, partial or total non-performance of any Services arising directly or indirectly from any event outside SGS Testcom Inc.'s control, including any event of force majeure (defined below) or failure by User to comply with any of its obligations hereunder or failure by any third party to comply with its obligations. The liability of SGS Testcom Inc. in respect of any claim whatsoever (including, without limitation, claims based on breach of warranty, breach of contract, negligence or strict liability in tort) for loss, damage or expense of any nature and howsoever arising hereunder shall in no circumstances exceed a total aggregate sum equal to the amount of Charges paid hereunder by User for the twelve (12) months prior to the date of the claim. SGS Testcom Inc. shall have no liability for any indirect, incidental or consequential damages or loss (including, without limitation, loss of profits, loss of use, and loss of goodwill, economic or special damages). In the event of any claim, User must give written notice to SGS Testcom Inc. within 30 days of discovery of the facts alleged to justify such claim and, in any case, SGS Testcom Inc. shall be discharged from all liability for all claims for loss, damage or expense unless suit is brought within one (1) year from: (a) the date of performance by SGS Testcom Inc. of the Service which gives rise to the claim; or (b) the date when the Service should have been completed in the event of any alleged non-performance. All limitations of liability hereunder shall apply hereto even if this SPA is found by a court of competent jurisdiction to fail of its essential purpose. User shall hold harmless and indemnify SGS Testcom Inc. and its directors, officers, employees, agents or subcontractors against all claims (actual or threatened) by any third party for loss, damage or expense of whatsoever nature arising from the actions or inactions of CA BAR and/or User and any of their respective personnel, inspectors, operators, agents, representatives and/or subcontractors, including all legal expenses and related costs, howsoever arising.

18. GOVERNING LAW

All disputes arising from the provision of Services or related to this Agreement shall be governed by the substantive laws of the STATE OF CALIFORNIA exclusive of any rules with respect to conflicts of laws.

19. FORCE MAJEURE

The term "force majeure" shall include all acts of God, work stoppages due to labor disputes, strikes or otherwise; fires; explosions; epidemics; riots; acts of terrorism; utility failures or outages; war; rebellion; sabotage; or other catastrophic events. Each party shall be responsible for its own costs incurred as a result of a force majeure event. Force majeure shall not cause User to transfer to SGS Testcom Inc. any expense or risk of loss. Neither party shall have any claim to damages against the other resulting from delays or non-performance caused by force majeure; provided, however, that force majeure shall not apply to the payment of any Charges or other money owed under this SPA to SGS Testcom Inc.

20. SEVERABILITY

If any provision of this SPA or the application of this SPA to any person or circumstance shall be adjudged by any court of competent jurisdiction to be invalid, that judgment shall not impair or invalidate the remainder of this SPA.

21. TERMINATION FOR CAUSE

User understands and agrees that, should User fail to abide by the terms of this SPA, SGS Testcom Inc. shall have the right to terminate its Services hereunder.

22. ENTIRE AGREEMENT

This SPA, which includes all of the terms and conditions hereof, is the exclusive and final statement of the terms and understandings relative to the subject matter hereof, merging herein and superseding all prior negotiations and prior written or oral agreements between the parties. There are no promises, representations or understandings made in connection with this SPA or contemporaneous with the execution hereof, except as set forth in this SPA.

Retain this copy for your records

Welcome to the
SGS Testcom, Inc.
Next Generation Electronic Transmission System
(NGET)

Enrollment Instructions

Please read carefully and follow all instructions to avoid delays.

IMPORTANT

- You will be signing a legal contract when you sign the Inspection Station Enrollment Form. Read carefully before signing.
- Save a copy of the Station Participation Agreement (SPA) for future reference.

The Enrollment Package includes:

1. Station Participation Agreement (the "SPA") - allows you to participate in the California Smog Check Program, and establishes your legal relationship with the California Smog Check Program's NGET contractor, SGS Testcom Inc.
2. Inspection Station Enrollment Form.
3. Procedures for changing to the NGET access number on EIS units
4. BAR field office contacts

Instructions on how to complete your enrollment in the NGET Program

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|--------|---|
| Step 1 | Read all instructions in the Enrollment Package. Understand your rights and obligations. |
| Step 2 | Carefully complete and sign the Inspection Station Enrollment Form . If the preprinted information is not correct, please update the Station Information area of the form. Also, update the appropriate fields for Smog Check Station Address and/or Billing Address if different from the preprinted address. |
| Step 4 | Carefully complete ACH checking account information section of the Inspection Station Enrollment Form if you wish to purchase electronic Smog Check Certificates using the ACH Debit transaction process through your ETS unit(s). If you have any enrollment questions, please call the SGS Testcom NGET Help Desk toll-free at 866-9NO-SMOG (866-966-7664). You must include the Bank Transit/ ABA Number and Bank Account Number in the spaces provided on the form. For reference: Bank Transit/ABA number: Nine-digit number that appears at the bottom left of your check Bank Account number: Numbers located to the right of the bank transit/ABA number (not including the check number) You must also provide DCA a voided check along with the completed Inspection Station Enrollment Form. |
| Step 5 | <u>IF MAILING:</u> To complete your enrollment, mail your completed and signed Inspection Station Enrollment Form to BAR at the following address: CA Bureau of Auto Repair Licensing Unit 10240 System Parkway Sacramento, CA 95827 ➤ Attach a voided check to the Inspection Station Enrollment Form if you wish to purchase electronic Smog Certificates using the ACH Debit Transaction process through your ETS Unit(s). |
| Step 6 | <u>IF FAXING:</u> To complete your enrollment, fax your completed and signed Inspection Station Enrollment Form to BAR Licensing at (916) 255-4482: If faxing, please include a photocopy of voided check if you wish to purchase electronic Smog Certificates using the ACH Debit Transaction process through your ETS Unit(s). |

SGS Testcom Inc. Next Generation Electronic Transmission System ("NGET System")

Inspection Station ("User") Enrollment Form

This Inspection Station Enrollment Form MUST be completed by User clearly and accurately. Execution and submission by User and subsequent acceptance by SGS Testcom Inc. of this properly completed and signed Enrollment Form will constitute User's enrollment for participation in NGET Program, subject to SGS Testcom Inc.'s standard terms and conditions of use, as set forth in the Station Participation Agreement ("SPA") made by and between SGS Testcom Inc. ("SGS Testcom"), with offices at 3110 Gold Canal Drive, Suite A, Rancho Cordova, CA 95670, and the CA BAR licensed inspection station business owner ("Business Owner" or "User") identified below. Changes to your billing address and ACH information can only be made by your authorized representative(s), in writing, by completing and submitting a new Enrollment Form to CA BAR Licensing Unit, 10240 Systems Parkway, Sacramento CA 95827, or by fax to (916) 255- 4482. All changes to your licensing record must be coordinated and made through the CA BAR Licensing Unit at (916) 255-3145.

Retain a copy of this form for your records
Please print clearly (except where a signature is required).

Station Information:

Station License Number: _____ Business Owner/Principal's Name: _____

Name of Smog Check Station: _____

Primary Contact Name: _____

Station Contact Telephone : () _____ FAX Number: () _____

Email Address (if any): _____

Backup Contact Name: _____ Backup Contact Number: () _____

Smog Check Station Address:

Business Street Address: _____

City: _____ State: _____ County: _____ Zip: _____

Billing Address (if different from Smog Check Station Address): SGS Testcom's monthly NGET Program Invoice will be sent to this address:

Billing Contact Name: _____

Billing Contact Telephone : () _____ Billing Contact FAX Number: () _____

Billing Mailing Address: _____

City: _____ State: _____ County: _____ Zip: _____

ACH Authorization

Checking Account Information: The following information MUST be filled out completely if you intend to purchase Smog Check Certificates through the NGET system.

Does your Station wish to purchase Smog Check Certificates via
Automated Checking Account Debit through the NGET System? YES NO

Bank Name: _____

Bank Transit/ ABA Number: _____

Checking Account Number: _____

(Attach a voided check to this Form – if submitting by fax, provide a copy of the voided check with fax transmittal)

Authorization

The Station Business Owner ("User") has reviewed and fully understands this Inspection Station Enrollment Form and the Station Participation Agreement (SPA) and verifies that all information provided by User to SGS Testcom herein and otherwise is true, complete and correct in all respects. By signing this Inspection Station Enrollment Form, User accepts the terms and conditions stated herein and in the SPA, and agrees that User is responsible for paying SGS Testcom Inc. and agrees to pay, by the required due date, all Charges incurred by and/or through User's ETS Unit(s). The undersigned represents and warrants that he/she is duly authorized to sign this Inspection Station Enrollment Form on behalf of User, and by doing so, User accepts the obligations stated herein and in the SPA.

Authorized Signature: _____ Date: _____

Printed Name: _____

Title: _____